



DRAFT MINUTES

LAFCO REGULAR MEETING

Wednesday, May 12, 2004, 9:00 a.m.

Planning Commission Hearing Room, Hall of Administration

10 Civic Center Plaza, Santa Ana

(Any member of the public may request to speak on any agenda item at the time that item is being considered by the Commission.)

1. CALL TO ORDER

Chair Charles Smith called the regular meeting of the Local Agency Formation Commission (LAFCO) to order at 9:00 a.m.

2. PLEDGE OF ALLEGIANCE

Commissioner Rhonda McCune led the pledge of allegiance.

3. ROLL CALL

The following commissioners and alternates were present:

- **Commissioner Randal J. Bressette**
- **Commissioner Peter Herzog**
- **Commissioner Charles Smith**
- **Commissioner Susan Wilson**
- **Commissioner John Withers**
- **Alternate Commissioner Robert Bouer**
- **Alternate Commissioner Rhonda McCune**
- **Alternate Commissioner James Silva**
- **Alternate Commissioner Charley Wilson**

The following LAFCO staff members were present:

- General Counsel Clark Alsop
- Acting Executive Officer Bob Aldrich
- Senior Project Manager Ken Lee
- Policy Analyst Kim Koeppen
- Policy Analyst Carolyn Thomas
- Communications Analyst Danielle Ball
- Administrative Assistant Daphne Charles

4. APPROVAL OF MINUTES

a.) April 14, 2004 – Regular Commission Meeting

MOTION: Approve minutes from April 14, 2004 without revision (John Withers)
SECOND: Randal Bressette
FOR: Randal Bressette, Peter Herzog, Charles Smith, Charley Wilson, Susan Wilson, John Withers
AGAINST: None
ABSTAIN: James Silva
MOTION PASSED

5. PUBLIC COMMENT

Chair Smith requested public comments on any non-agenda item. Receiving no response, he closed the public comment agenda item without any comments from the public.

6. CONSENT CALENDAR

- a.) Legislative Report
- b.) Adoption of Updated CEQA Guidelines
- c.) Worden Annexation to the Orange County Sanitation District (DA 03-24)
- d.) Dittberner Annexation to the Orange County Sanitation District (DA 03-26)
- e.) Update on the Costa Mesa/Newport Beach Islands Annexations

Chair Smith pulled consent calendar item 6a, the legislative report, for further discussion by the Commission.

Commissioner Bressette pulled consent calendar item 6b, the CEQA Guidelines update, for further discussion by the Commission.

Commissioner Herzog moved the balance of the consent calendar.

MOTION: Approve the consent calendar items 6c, 6d, and 6e (Peter Herzog)
SECOND: Randal Bressette
FOR: Randal Bressette, Peter Herzog, James Silva, Charles Smith, Charley Wilson, Susan Wilson, John Withers
AGAINST: None
ABSTAIN: None
MOTION PASSED

- 6b.** **Commissioner Bressette** noted that the draft resolution appended to the staff report for consent calendar item 6b contained a notation for the Secretary's signature. He stated that the resolution should be revised to reflect the title of Commission Clerk rather than Secretary under the signature line.

MOTION: **Approve the consent calendar item 6b as amended (Randal Bressette)**
SECOND: **Charley Wilson**
FOR: **Randal Bressette, Peter Herzog, James Silva, Charles Smith, Charley Wilson, Susan Wilson, John Withers**
AGAINST: **None**
ABSTAIN: **None**
MOTION PASSED

- 6a.** Senior Project Manager Lee called the Commission's attention to two pieces of legislation, SB 1266 (Torlakson) and AB 2634 (Canciamilla). He indicated that both bills were introduced to address a particular issue in Contra Costa County related LAFCO's role in determining agency boundaries relative to voter approved urban limit lines.

Commissioner Bill Campbell entered the Commission meeting during Mr. Lee's comments.

Mr. Lee said that the Torlakson bill as it was originally written included a host of changes to the island annexation provisions, including the establishment of specific criteria to determine when a LAFCO is mandated to approve an island annexation under the streamlined provisions of the law. He indicated that the legislature had since amended SB 1266 on the floor, leaving only one provision, which would increase the acreage limitation on small islands from 75 acres to 150 acres – a possibility that might open additional annexation opportunities in Orange County. Mr. Lee stated that LAFCO's current Islands Program only pertains to islands 75 acres or less in size, but Orange County has eight additional islands that range between 75 and 150 acres in size. In light of the revisions made to SB 1266, Mr. Lee recommended that the Commission amend its position on the bill, changing it from "watch" to "support."

Mr. Lee noted that the League of Cities and CALAFCO are working to extend the island provisions in the CKH Act – now set to expire January 1, 2007 – for another two years.

Mr. Lee provided an overview of AB 2634, which would prohibit LAFCO from making any determination that is not consistent with an existing urban limit line. He indicated that the bill is now categorized as special legislation affecting only Contra Costa County, but he expressed concern about the philosophical policy impacts of the

bill on LAFCO as a whole and recommended that the Commission maintain opposition to the bill.

Commissioner Withers stated that he had reviewed AB 2634 and indicated that the urban limits lines were actually set by the County Board of Supervisors rather than the voters. Mr. Lee responded that AB 2634 would affect both legislatively approved and voter approved urban limit lines.

MOTION: Approve the consent calendar item 6a as amended (Randal Bressette)
SECOND: Charley Wilson
FOR: Randal Bressette, Bill Campbell, Peter Herzog, Charles Smith, Charley Wilson, Susan Wilson, John Withers
AGAINST: None
ABSTAIN: None
MOTION PASSED

7. PUBLIC HEARING

- a.) Adoption of Final LAFCO Budget for FY 2004-2005
- b.) Serrano Heights Reorganization (RO 04-01)

- 7a.** Acting Executive Officer Aldrich presented the final LAFCO budget for FY 2004-2005. He stated that staff distributed copies of the proposed budget to the Board of Supervisors, each city, the city selection committee, each independent special district, and the independent special district selection committee for review and comment. He further indicated that staff received only one comment letter, one from the County of Orange indicating its support of the budget.

Mr. Aldrich highlighted that the final LAFCO budget for FY 2004-2005 was static for the fourth consecutive year, despite rising insurance and employee benefits costs. He attributed the static budget to higher than expected revenues in FY 2003-2004. He added that staff, per the Commission's direction, had alerted all of the funding agencies to expect an increase in funding when LAFCO budgets for FY 2005-2006.

Commissioner McCune asked if LAFCO's funding from the cities was contingent upon the city belonging to the League of California Cities. Mr. Aldrich responded no.

Commissioner Withers asked if staff had explored opportunities for cost recovery based on the services provided. Mr. Aldrich responded that staff is working on a revision to LAFCO's current fee schedule. He said that the revised fee schedule would likely be presented for Commission consideration towards the end of the summer or early fall. He cautioned that the Commission would not want to adopt a

fee schedule that would discourage agencies from making sound policy decisions because of cost prohibitions.

Chair Smith opened the public hearing on agenda item 7a, requesting comments from the public. Receiving no response, he closed the public hearing.

MOTION: Adopt the final LAFCO budget for FY 2004-2005 (John Withers)
SECOND: Bill Campbell
FOR: Randal Bressette, Bill Campbell, Peter Herzog, Charles Smith, Charley Wilson, Susan Wilson, John Withers
AGAINST: None
ABSTAIN: None
MOTION PASSED

- 7b.** Policy Analyst Kim Koeppen presented the staff report related to the Serrano Heights Reorganization, a reorganization of city and district jurisdictional boundaries involving three small parcels located in the northeastern-most portion of both the Cities of Anaheim and Orange. She summarized the detachments, annexations, and sphere of influence amendments encompassed by the proposal. She also presented an overview of land use designations and a history of Commission actions related to the proposal territory.

Commissioner Campbell asked if the neighbors were opposed to having a lighted ballfield so close to their homes. Ms. Koeppen responded that, as she understood it, the neighbors support the development of a park in the area.

Commissioner Withers indicated that he would recuse himself from voting on the proposal due to his employer's business relationship with SunCal Companies.

MOTION: Approve the Serrano Heights Reorganization (RO 04-01), including the terms and conditions as outlined in the staff report (Randal Bressette)
SECOND: Susan Wilson
FOR: Randal Bressette, Bill Campbell, Peter Herzog, Charles Smith, Charley Wilson, Susan Wilson
AGAINST: None
ABSTAIN: None
MOTION PASSED

- 8. COMMISSION DISCUSSION**
None

- 9. COMMISSIONER COMMENTS**

Chair Smith invited his fellow commissioners to comment on issues not listed on the agenda.

Commissioner Bressette expressed his concern about the rise in recent beach closures as reflected in the 2004 Orange County Community Indicators Report. He inquired if staff would study the impact of sewer spills as part of the Municipal Service Review Program and account for the number of sewer spills attributed to each district under study. Mr. Aldrich said that both focus groups are collecting data related to general water issues, including sewer spills, but added that the focus groups had not yet indicated where they will concentrate their study efforts.

10. INFORMATIONAL ITEMS

a.) Update re the 2004 Selection of Commissioners

- 10a.** Communications Analyst Ball stated that the Special Districts Selection Committee convened on Thursday, April 29 in conjunction with the ISDOC quarterly luncheon and unanimously reelected **Commissioner Arlene Schafer** to an addition four-year term beginning July 1. She added that the City Selection Committee would convene on May 13 to elect city member representation to LAFCO, as incumbent city **Commissioners Bressette** and **Bouer's** terms would expire on June 30.

Ms. Ball reminded the Commission that **Commissioner Bressette** had decided not to pursue reelection to his seat. She further added that the composition of the Commission would remain unchanged until June 30, the end of the current terms of office. She said that both the newly elected and re-elected commissioners would be sworn in at the July 14 Commission meeting.

Commissioner Bressette indicated that the City Selection Committee meeting would be open to the public. He added that **Commissioner Bouer** was thus far running unopposed for the regular city member seat.

Commissioner Smith clarified that the City Selection Committee accepts nominations from the floor. Further, he wished **Commissioner Bouer** good luck in the election.

11. CLOSED SESSION

PUBLIC EMPLOYEE APPOINTMENT
(Section 54957)
Title: Executive Officer

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

(Subdivision (a) of Section 65965.9)

Name of case: Airport Working Group of Orange County and Orange County Regional Airport Authority v. Local Agency Formation Commission of Orange County; City of Irvine, et al.

Legal Counsel Alsop explained that the Commission did not require a closed session regarding existing litigation but would convene in closed session regarding the public employee appointment. He added that there would be no reportable action resultant from the closed session.

Chair Smith adjourned the regular meeting at 9:25 a.m., and the Commission convened in closed session.

Chair Smith adjourned closed session at 9:45 and confirmed that there were no reportable actions.

12. ADJOURNMENT

Chair Smith adjourned the meeting at 9:45 a.m.

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BOB ALDRICH

Acting Executive Officer

Orange County Local Agency Formation Commission

By: _____

Danielle M. Ball
Commission Clerk